



## **QUARTERLY REPORT**

For the 1st Quarter Ended  
September 30, 2011  
(Un-audited)

### **B.F. MODARABA**

Managed By

### **E.A. MANAGEMENT (PVT) LTD.**

Registered under  
The Companies Ordinance 1984 & Modaraba  
Companies & Modaraba Ordinance 1980



## **COMPANY PROFILE**

### **MODARABA MANAGEMENT COMPANY**

E. A. Management (Pvt.) Ltd.

### **BOARD OF DIRECTORS**

#### **DIRECTORS OF MODARABA MANAGEMENT COMPANY**

Mr. Ahmed Ali Mohammad Amin Bawany - Chairman  
Mr. Muhammad Omar Amin Bawany - Chief Executive  
Mr. Abdul Ghani Samad - Director  
Mr. Abdul Wahid Jaliawala - Director

### **AUDIT COMMITTEE**

Mr. Ahmed Ali Mohammad Amin Bawany - Chairman  
Mr. Abdul Ghani Samad - Member  
Mr. Abdul Wahid Jaliawala - Member

### **CFO & COMPANY SECRETARY**

Muhammad Ayub

### **MODARABA AUDITORS**

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

### **LEGAL ADVISOR**

Abdul Ghaffar Muhammad Gheewala

### **BANKERS**

Al-Baraka Islamic Investment Bank  
Bank Al-Habib Limited-Islamic  
Habib Bank Limited  
Habib Metropolitan Islamic Bank Limited  
Burj Bank Limited

### **REGISTERED OFFICE**

4th Floor, Bank House No. I,  
Habib Square, M.A. Jinnah Road,  
Karachi-74000, Pakistan.  
Phone : (92-21) 111 786 878, 32413240  
Fax : (92-21) 32421010

### **EMAIL & WEBSITE**

E-mail: [info@bfmodaraba.com.pk](mailto:info@bfmodaraba.com.pk)  
URL: [www.bfmodaraba.com.pk](http://www.bfmodaraba.com.pk)

### **SHARES REGISTERAR**

M/s. C & K Management Associated (Pvt.) Ltd,  
404, Trade Tower, Abdullah Haroon Road,  
Near Metropole Hotel, Karachi-75530  
Tel: ( 92-21) 35687839 & 35685930



**CHIEF EXECUTIVE REVIEW  
FOR THE PERIOD ENDED SEPTEMBER 30, 2011**

Dear Certificate Holders,  
Assalamo Alaikum,

By grace of Almighty Allah I take pleasure in presenting a brief review of the performance of your Modaraba for the first quarter ended September 30, 2011

Gross revenue during the period was Rs.2.517 million vis-à-vis Rs. 4.367 million for the corresponding period of 2010-11, mainly due to decrease in dividend income and capital gain. Further, no trading in commodity was made during the period under review. Thus, Pre-tax Profit stood at Rs. 0.411 million against a Pre-tax Profit of Rs. 2.741 million for the corresponding period of 2010-11. The unrealized gain in the value of investment in marketable securities was Rs.16.578 million, which has been reflected in the equity.

Overall we expect that equity market is likely to remain volatile in the near term. During the period we have invested some amount in the equity market, but we have also retained a significant cash cushion to invest in the selected scripts at the time of market dips.

We bow to Allah and pray for His blessing and guidance

Karachi:  
October 28, 2011

Omar Amin Bawany  
Chief Executive



**B. F. MODARABA  
BALANCE SHEET  
AS AT SEPTEMBER 30, 2011**

	Notes	(Un-audited) Sept. 30, 2011	(Audited) June 30, 2011
<b>CAPITAL AND RESERVES</b>			
Authorized Capital			
10,000,000 Modaraba			
Certificates of Rs. 10/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital		75,151,587	75,151,587
Statutory reserve		23,354,292	23,354,292
Accumulated profit		<u>13,789,862</u>	<u>13,446,709</u>
		112,295,741	111,952,588
Unrealized gain in value of investment		<u>16,578,873</u>	<u>15,551,719</u>
<b>TOTAL EQUITY</b>		<b>128,874,614</b>	<b>127,504,307</b>
Staff Gratuity		244,775	244,775
Long term lease deposits		2,784,600	2,784,600
<b>CURRENT LIABILITIES</b>			
Accrued expenses and other liabilities		2,042,989	388,399
Due to Management Company		2,308,957	2,263,204
Dividend		278,583	278,583
		4,630,529	2,930,186
		<u>136,534,518</u>	<u>133,463,868</u>
<b>FIXED ASSETS</b>			
Own use		379,724	399,145
Leased Out		13,338,358	14,555,715
Long Term Deposits		<u>40,019</u>	<u>40,019</u>
		13,758,101	14,994,879
<b>CURRENT ASSETS</b>			
Stock in trade		61,800,000	61,800,000
Advances, deposit, prepayments & other Receivables		2,011,727	4,068,583
Financial assets-Available-for-sale	1	37,036,942	34,955,799
Cash and bank balances		21,927,748	17,644,607
		122,776,417	118,468,989
		<u>136,534,518</u>	<u>133,463,868</u>

The annexed notes form an integral part of these financial statements.

Chairman	Chief Executive	Director
E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd



**B. F. MODARABA**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	<u>September 2011 Rupees</u>	<u>September 2010 Rupees</u>
Operating Incomes	<b>2,517,827</b>	4,367,144
Operating expenses	<b>(2,060,301)</b>	(1,259,151)
Profit/(Loss) before charging management fee	<b>457,526</b>	3,107,993
Provision for management fee	<b>(45,753)</b>	(310,799)
Profit/(Loss) before workers welfare fund	<b>411,773</b>	2,797,194
Workers Welfare Fund	<b>-</b>	(55,944)
Profit/(Loss) before taxation	<b>411,773</b>	2,741,250
Taxation - current	<b>(68,620)</b>	(175,345)
Profit/(Loss) after taxation	<b><u>343,153</u></b>	<u>2,565,905</u>
Earning per certificate - Basic and Diluted	<b><u>0.05</u></b>	<u>0.34</u>

The annexed notes form an integral part of these financial statements.

**Chairman**  
E. A. Management (Pvt) Ltd

**Chief Executive**  
E. A. Management (Pvt) Ltd

**Director**  
E. A. Management (Pvt) Ltd



**B. F. MODARABA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	For the quarter ended September 30,	
	2011	2010
	----- Rupees -----	
<b>Profit/ (loss) for the period</b>	<b>343,153</b>	2,565,905
Unrealized gain/(loss) on revaluation of available for sale - financial assets	<b>1,184,321</b>	1,173,843
Gain on financial assets transferred to profit and loss account	<b>(157,167)</b>	(1,382,929)
	<b>1,027,154</b>	(209,086)
<b>Total comprehensive income for the period</b>	<b>1,370,308</b>	2,356,819

The annexed notes form an integral part of these financial statements.

**Chairman**  
E. A. Management (Pvt) Ltd

**Chief Executive**  
E. A. Management (Pvt) Ltd

**Director**  
E. A. Management (Pvt) Ltd



**B. F. MODARABA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	<b>Sep. 2011</b>	<b>Sep. 2010</b>
	----- Rupees -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	411,773	2,741,250
Adjustments for :		
Depreciation on own assets	19,421	23,458
Amortization on leased assets	1,217,357	515,003
Gain/(Loss) on sale of financial assets	(158,387)	(1,445,349)
Provision for Mangement fee	45,753	310,799
Lease Rental Income	(803,106)	(748,314)
Dividend Income	(686,202)	(949,204)
	(365,164)	(2,293,607)
	46,609	447,643
<b>Changes in working capital</b>		
<b>Decrease / (increase) in current assets :</b>		
Trade Debts	-	27,660,000
Short term Morabaha	-	693,333
Stock in Trade	-	(33,658,769)
Advances, deposits, prepayments and other receivables	2,820,760	(839,891)
<b>Increase / (decrease) in current liabilities:</b>		
Deferred murabaha income	-	419,672
Accrued expenses	1,648,359	11,680,140
Lease deposits	-	2,700,000
Net increase in working capital	4,469,119	8,654,485
Taxes Paid	(42,958)	(14,534)
Net cash Inflow(outflow) from operating activities	4,472,770	9,087,594
<b>B CASH FROM INVESTING ACTIVITIES</b>		
Additions in fixed assets		
Own use	-	-
Leased out	-	(18,000,000)
Dividend received	864,360	385,014
Purchase of investment	(1,570,893)	-
Proceed from sale of available for sale-financial assets	516,904	11,875,796
Net cash inflow(outflow) from investing activities	(189,629)	(5,739,190)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash used in financing activities	-	-
Net increase/ (decrease) in cash and bank balances	4,283,141	3,348,404
Cash and bank balances at the beginning of the period	17,644,607	8,007,972
Cash and bank balances at the period ended September 30, 2011	21,927,748	11,356,376

The annexed notes form an integral part of these financial statements.

<b>Chairman</b>	<b>Chief Executive</b>	<b>Director</b>
E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd



**B. F. MODARABA**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 2011**

Description	Issued subscribed and paid up capital	Reserves		Unrealized gain / (loss) on available for sale financial assets	Total
		Statutory reserves	Unappropriated Profit		
<b>Balance as at July 01, 2010</b>	68,319,625	17,232,294	8,909,247	7,759,611	102,220,777
Comprehensive income for the quarter	-	-	2,565,905	(209,086)	2,356,819
<b>Balance as at September 30, 2010</b>	<b>68,319,625</b>	<b>17,232,294</b>	<b>11,475,152</b>	<b>7,550,525</b>	<b>104,577,596</b>
Balance as at October 01, 2010	68,319,625	17,232,294	11,475,152	7,550,525	104,577,596
Issuance of bonus certificates	6,831,962	-	(6,831,962)	8,001,192	8,001,192
Comprehensive income for nine months	-	6,121,998	8,803,519	-	14,925,517
<b>Balance as at June 30, 2011</b>	<b>75,151,587</b>	<b>23,354,292</b>	<b>13,446,709</b>	<b>15,551,719</b>	<b>127,504,307</b>
Balance as at July 1, 2011	75,151,587	23,354,292	13,446,709	15,551,719	127,504,307
Comprehensive income for the quarter	-	-	343,153	1,027,154	1,370,308
<b>Balance as at September 30, 2011</b>	<b>75,151,587</b>	<b>23,354,292</b>	<b>13,789,862</b>	<b>16,578,873</b>	<b>128,874,614</b>

----- Rupees -----

The annexed notes form an integral part of these financial statements.

Chairman  
E.A. Management (Pvt) Ltd.

Chief Executive  
E.A. Management (Pvt) Ltd.

Director  
E.A. Management (Pvt) Ltd.





**B. F. MODARABA**  
**AVAILABLE-FOR-SALE FINANCIAL ASSETS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

1. FINANCIAL ASSETS	September 2011 Rupees	June 2011 Rupees
- Available for sale		
1.1 Shares and close-ended Mutual Funds	<b>31,427,908</b>	29,501,674
1.2 Open-ended Mutual Funds	<b>5,609,034</b>	5,454,125
	<b><u>37,036,942</u></b>	<b><u>34,955,799</u></b>

**1.1 Shares and Close-ended Mutual Funds**

*Unless stated otherwise the holdings are in ordinary shares/certificates of Rs. 10/- each.*

June 2011 Shares / Certificates	September 2011 Rupees	NAME OF COMPANY/ INSTITUTION	September 2011 Rupees	June 2011 Rupees
<b>MUTUAL FUNDS-CLOSE ENDED</b>				
-	<b>200,000</b>	Atlas Fund of Funds	<b>1,366,000</b>	-
100,000	<b>100,000</b>	Meezan Balanced Fund	<b>900,000</b>	940,000
<b>100,000</b>	<b>300,000</b>	<b>Total</b>	<b><u>2,266,000</u></b>	<b>940,000</b>
<b>MODARABAS</b>				
117,636	<b>117,636</b>	Standard Chartered Modaraba	<b>1,308,113</b>	1,184,596
100,000	<b>100,000</b>	First Habib Bank Modaraba	<b>770,000</b>	800,000
72,900	<b>72,900</b>	First Punjab Modaraba	<b>54,675</b>	72,171
19,360	<b>19,360</b>	First Tri Star Modaraba	<b>14,521</b>	36,784
13,000	<b>13,000</b>	First UDL Modaraba	<b>91,000</b>	94,250
<b>322,896</b>	<b>322,896</b>	<b>Total</b>	<b><u>2,238,309</u></b>	<b>2,187,801</b>
<b>INVESTMENT COMPANIES/BANKS</b>				
16,875	<b>16,875</b>	Jahangir Siddique & Company	<b>96,862</b>	109,350
<b>16,875</b>	<b>16,875</b>	<b>Total</b>	<b><u>96,862</u></b>	<b>109,350</b>
<b>TEXTILE WEAVING</b>				
200	<b>200</b>	Service Fabric Ltd	<b>99</b>	177
9,000	-	Reliance Weaving Mills Ltd	-	101,250
<b>9,200</b>	<b>200</b>	<b>Total</b>	<b><u>99</u></b>	<b>101,427</b>
<b>SUGAR &amp; ALLIED</b>				
-	-	Bawany Sugar Mills Ltd	-	-
5,000	<b>12,286</b>	Habib ADM Ltd (Share of Rs 5/- each)	<b>166,599</b>	61,300
<b>5,000</b>	<b>12,286</b>	<b>Total</b>	<b><u>166,599</u></b>	<b>61,300</b>
<b>CEMENT</b>				
5300	<b>5300</b>	Cherat Cement Ltd	<b>43,725</b>	47,700
12,000	-	Fauji Cement Ltd.	-	49,440
<b>17,300</b>	<b>5,300</b>	<b>Total</b>	<b><u>43,725</u></b>	<b>97,140</b>
<b>FUEL AND ENERGY</b>				
100,000	<b>100,000</b>	Hub Power Company Ltd	<b>4,150,000</b>	3,750,000
11,000	-	Sui Northern Gas Pipeline Ltd.	-	219,120
26136	<b>26136</b>	Pakistan Petroleum Ltd.	<b>4,954,601</b>	5,411,981
<b>137,136</b>	<b>126,136</b>	<b>Total</b>	<b><u>9,104,601</u></b>	<b>9,381,101</b>
<b>AUTO &amp; ALLIED</b>				
4455	-	Pak Suzuki Motors Co Ltd	-	278,661
<b>4,455</b>	-	<b>Total</b>	<b><u>-</u></b>	<b>278,661</b>



June 2011 Shares / Certificates	September 2011	NAME OF COMPANY/ INSTITUTION	September 2011 Rupees	June 2011 Rupees
<b>COMMUNICATION</b>				
57,000	<b>57,000</b>	Pakistan Telecommunication Company Ltd.	<b>662,340</b>	810,540
10,000	-	TRG Pakistan Ltd.	-	25,600
<u>67,000</u>	<u><b>57,000</b></u>	<b>Total</b>	<u><b>662,340</b></u>	<u>836,140</u>
<b>CHEMICALS &amp; PHARMACEUTICALS</b>				
22,764	<b>22,764</b>	Bawany Air Products Ltd	<b>170,275</b>	153,658
2,250	<b>9,800</b>	Fatima Fertilizer Company Ltd.	<b>184,730</b>	37,441
101,880	<b>101,880</b>	Fauji Fertilizer Company Ltd.	<b>16,494,369</b>	15,317,655
<u>126,894</u>	<u><b>134,444</b></u>	<b>Total</b>	<u><b>16,849,374</b></u>	<u>15,508,754</u>
<u>806,756</u>	<u><b>975,137</b></u>	<b>Grand Total</b>	<u><b>31,427,908</b></u>	<u>29,501,674</u>

#### 1.2 Open ended Mutual Funds

June 2011 Number of Units	September 2011	MUTUAL FUNDS-OPEN ENDED	September 2011 Rupees	June 2011 Rupees
109,016	<b>111,867</b>	Meezan Cash Fund	<b>5,609,034</b>	5,454,125
<u>109,016</u>	<u><b>111,867</b></u>	<b>Grand Total</b>	<u><b>5,609,034</b></u>	<u>5,454,125</u>

2. These financial statements are unaudited and were authorized for issued on October 28, 2011 by the Board of Directors of the Management Company.
3. The accounting policies adopted for the preparation of these financial statements are consistent with those applied for the preparation of the preceding published financial statements.
4. Amount of Taxation is Provisional and final Tax liability will be determined on the basis of Annual Result.
5. Figures have been rounded off to the nearest rupee and have been re-arranged where necessary for the purpose of comparison.

**Chairman**  
E. A. Management (Pvt) Ltd

**Chief Executive**  
E. A. Management (Pvt) Ltd

**Director**  
E. A. Management (Pvt) Ltd